California Department of Health Services Division of Drinking Water & Environmental Management Safe Drinking Water State Revolving Fund Program DHS Prop 50 Grant Programs

Presenter:

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California SDWSRF Program

- Funding for Drinking Water Projects
- Federal legislation: Safe Drinking Water Act of 1996
- California: Safe Drinking Water Law of 1997;
 - First project funded in 1999
- Priority funding for projects that
 - Address most serious risk to human health
 - **Ensure compliance with the Safe Drinking Water Act**
 - > Assist systems most in need on per household basis
- Program funding to date: \$780 million (combined fed and state)
- ➤ Annual loan/grant funding: ~~\$85 million



- What is it?
- A ranking system to organize preapplications
 - SDWSRF uses health risk categories (A thru O)
 - Bonus points prioritize projects within a category
- What kinds of lists are there?
 - Multi-year Project Priority List
 - Fundable List
 - SWS Reserve list

SDWSRF Project Ranking Criteria

- 15 categories of eligible projects
- Categories based on health risk
- Ranking within each category based on:
 - median household income
 - consolidation of systems
 - population served
- Actual funding based on "readiness to proceed"



- Uses federal eligibility rules
- Projects ranked by priority category
- Pre-applications required
- Addition (new) preapps permitted annually
- New preapps merged into existing preapps
- Priority list created following public hearing
- "Fundable" portion of list determined
- Full applications invited



- Low interest loans (50% of state bond rate) ~2.4%
 - generally 20 year loan period
- Disadvantaged communities
 - > 0% interest; funding may include loan and grant
- > Federal cross-cutting requirements
 - > (e.g. federal environmental laws) apply to some projects
- Application due December 31
- DHS reviews project [technical, financial, & environmental]
- Issue Notice of Application Acceptance [NOAA-commitment letter]
 - > Sets basis of funding, \$ and interest rate
 - Includes conditions to be met by applicant
- > Funding agreement ("loan contract") within 1 year of NOAA
 - [only when requirements of commitment letter are met]

DHS Prop 50 Grants

- DHS Prop 50 funding focus:
 - contaminants that pose the most significant health risks, and bringing water systems into compliance with safe drinking water standards
- Prop 50 encourages:
 - Integrated, multiple-benefit projects
 - Preference to disadvantaged communities
 - Improvements to local and regional water supplies
- DHS Prop 50 funds are divided into 9 narrowly-defined programs
- Many proposed projects will NOT be eligible for any of the grant programs
- Applicants cannot receive funds for same project from other Prop 50 grant programs

DHS Prop 50 Grant Programs

- Chapter 3 Water Security (~\$47 million)
- Chapter 4 Safe Drinking Water
- 4a New grant programs for safe drinking water (~\$62 million)
 - Small community water system monitoring, treatment and distribution facilities
 - 2. New contaminant removal and treatment technologies
 - 3. Community water system monitoring facilities
 - 4. Drinking water source protection
 - 5. Disinfection byproduct (DBP) treatment facilities
- 4b Southern California Projects (~ \$261 million)
 To reduce Colorado River use to 4.4 MAF
- Chapter 6 Contaminant and Salt Removal Technologies*
- 6b Contaminant Removal Technologies (~\$23 million)
- 6c UV and Ozone Disinfection (~\$23 million)
 - * Through Interagency Agreement with DWR

DHS Prop 50 Projects Likely to be Competitive

Chapter	Competitive Projects
3 (Security)	>5 Bonus Points (for inter-ties and projects benefitting multiple systems)
4a.1 (Small Systems)	Microbiological contamination and unfiltered surface water (through Category C)
4a.3 (CWS Monitoring)	All eligible projects
4a.4 (Source Water Protection)	Microbiological threats in Zone A (Category A)
4a.5 (DBP Treatment)	All eligible projects
4b (Southern California)	All eligible projects that address existing contamination
6c (UV and ozone) Dept of Health Services SDWSRF & Prop 50	Total Coliform Rule violations

DHS Prop 50 Key Facts - Timeline

- Funds to be allocated over at least 4 years
- Pre-applications to be solicited at least two more years
- 2004 Pre-applications
 - 914 pre-applications received
 - ~\$860 million Prop 50 grants requested
- 2005 Pre-applications accepted : November 15, 2005 – January 31, 2006
- New preapps will be evaluated and added to existing priority lists
- Current eligible pre-applications will stay on the priority lists
- Full applications are being invited as priority lists are finalized
 - Applications will be due in <u>6 months</u> after invitation
- Payment will not be disbursed until after funding agreement executed

DHS Prop 50 Funding Cycle

- ❖First round Pre-applications (Oct to Nov 2004)
- Develop Initial Project Priority Lists
- First group: Invite Full Applications from systems (Oct Nov 2005)
- Applicants submit full applications
- ❖Second round Prop 50 Pre-applications (Nov 2005 to January 2006)
- DHS reviews applications, prepare technical reports, and issue Letter of Commitment (target: 8 months after submittal)
- Applicant submits plans, specs, etc (target: up to 6 months after Letter of Commitment)
- Issue funding agreements (grant award) after Letter of Commitment requirements met



Safe Drinking Water State Revolving Fund

- Refer to the SDWSRF website for current information:
 - http://www.dhs.ca.gov/ps/ddwem/srf/srf_index.htm
- Questions on the SDWSRF Program

via e-mail: sdwsrf@dhs.ca.gov

DHS Prop 50 Program

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